

For Immediate Release:

September 24, 2007

Contact:

Michelle McGurk, PIO
Office of Mayor Chuck Reed
(408) 535-4840 or (408) 655-7332 cell

**Mayor Chuck Reed Appoints
Budget Shortfall Advisory Group**
*Group Will Recommend Strategies for Tackling
Public Enemy #1: the Structural Budget Deficit*

SAN JOSE – Mayor Chuck Reed today announced the members of his Budget Shortfall Advisory Group, which will recommend strategies for the City of San José to solve its structural budget deficit.

“San José’s structural budget deficit remains Public Enemy Number 1,” said Mayor Reed. “After six straight years of reducing services to neighborhoods and local businesses, we’re really seeing see the effect. Cuts in maintenance are taking a toll on our streets, parks, community centers and swimming pools. It’s taking longer for the police to get to your house in an emergency. My Budget Shortfall Advisory Group will help the City tackle this challenge.”

In 2007-’08, the City’s annual operating deficit was \$16 million. The City also faces a \$450 million maintenance backlog in areas such as street repairs. The City’s liability for future costs for health care for retirees and current employees could be as much of \$1.65 billion.

The members of the Budget Shortfall Advisory Group are:

- Ted Biagini, Chairman, Focus Business Bank, and Biagini Vineyards
- Pete Constant, San José Councilmember
- Darrell Dearborn, former Senior Deputy City Manager, San José
- John Kennett, executive director, Rotary Club of San José
- Madison Nguyen, San José Councilmember
- Lydia Ortega, Ph.D., Chair, Department of Economics, San José State University
- Karen Willett, Chief Financial Officer, Newark Unified School District

The first meeting of the Budget Shortfall Advisory Group will be held on Monday, October 1 at 6 p.m. at San José City Hall, Rooms 118-119 (in the Wing), 200 E. Santa Clara Street. Meetings of the advisory group are open to the public.

###